levels in the wholesale and retail rate before the goods reach the final consumer. Moreover, excise duty is only one of the factors contributing to the price of a product.

(c) Yes, Sir. The Public Accounts Committee in their 156th Report (8th Lok Sabha) had recommended to the Government to evolve a standing mechanism with a view to ensure that concessions intended for the ultimate ocnsumers are actually passed on. The Public Accounts Committee in their 21st Report (10th Lok Sabha) after examining the action taken note of the Department, have reiterated that the Government should evolve a suitable mechanism to assess the impact of excise duty concessions and in case the Government is not in a position to evolve any such mechanism, the whole system of excise duty concessions needs to be reviewed.

(d) The latest recommendation of the Public Accounts Committee is under consideration.

Operation of Public Sector Undertakings through Foreign Banks

1225. SHRI S. MADHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government have permitted the Public Sector Undertakings to operate through the foreign banks;

(b) if so, what are the details thereof;

(c) whether the permission given to the Public Sector Undertakings to operate through the foreign banks has affected the nationalised banks;

(d) if so, what are the details thereof; and

(e) whether there is any proposal to permit the foreign pension funds to operate in the Indian stock market and if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) and (b) In consultation with Reserve Bank of India (RBI) instructions were issued in January, 1992 permitting Central Public Sector Enterprises to undertake normal banking transactions with any bank of their choice including foreign/private sector banks.

(c) and (d) RBI have reported that as per information received by them from some public sector banks, the permission given to Central Public Sector undertakings for banking arrangements with any bank of their choice including foreign banks has not had any marked adverse affect on their business.

(e) Guidelines with regard to foreign institutional investment in the Indian Securities market are under Government's consideration.

Permission to Karnataka for issue of Irrigation Bonds

1226. SHRI H. HANUMANTHAPPA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Karnataka State Government has sought permission to issue irrigation bonds in order to augment resources for their irrigation projects; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) Yes, Sir.

(b) The request of the Government of Karnataka is for permitting the State Government and its public sector undertakings to float bonds for irrigation projects.